UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

CONSORZIO DEL PROSCIUTTO
DI SAN DANIELE,

Plaintiff,

v.

DANIELE, INC. ,

Defendant.

C.A. No. 07-039-ML

DEFENDANT'S REPLY MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT

Defendant, Daniele, Inc. ("Daniele") will endeavor to refrain from responding in kind to the tone of condensation replete in Plaintiff's Memorandum in support of its objection. Daniele will, however, briefly reply to a few points.

First, the Consorzio helpfully concedes that the word "trademark" as used in the Agreement between the parties does not require that the mark be registered nor be protectable or enforceable against third parties. To the contrary, the Consorzio expressly agrees with Daneile that the term merely requires that the mark serve as a source identifier. Sadly, the Consorzio then retreats to its tired argument that the marks used by Daniele are merely descriptive of the product and, therefore, don't serve as source identification.

But there is ample and undisputed evidence in this case that, since the time of the Agreement, Daniele has marketed its ham and prosciutto products under five different marks and that Daniele has applied to the U.S. Patent and Trademark Office for federal trademark registration on those word marks, notwithstanding the concession that the stricter standards implied by such registration are not required by the Agreement. To date, the word mark "Deli-

Cut-O" has been awarded federal trademark registration and two other word mark registrations have been allowed and noticed for publication. Thus, the U.S. Patent and Trademark Office has, at least for those three word marks, found that the marks act as marks and that the words are therefore "suggestive" and not merely descriptive. The PTO has also found, at least preliminarily, that the marks do not conflict with previously registered marks. When a trademark is registered, there is a presumption that it is inherently distinctive as opposed to merely descriptive. See Equine Technologies, Inc. v. Equitechnology, Inc., 68 F.3d 542, 545 (1st Cir. 1995).

In its opposition, the Consorzio chooses to ignore the impact of the actions by the Patent and Trademark Office other than to note, in its Local Rule 56(a) Statement, that the Consorzio has filed a petition to cancel the "Deli-Cut-O" registration on the ground that the term is merely descriptive, and has filed notices of opposition to the "Gran Premio" and "Riserva" marks on similar grounds. Despite the fact that these applications have been pending for over a year, it is noteworthy that the Consorzio took these actions only after Daniele filed the instant Motion for Summary Judgment. In any event, the Consorzio's tardy administrative response will be futile because it is clear beyond dispute that the Consorzio has no standing to challenge or oppose the registrations. As the Trademark Trial and Appeal Board has consistently held, it is incumbent upon an opposer "to establish that it is engaged in sale of goods of which mark is assertedly descriptive." C.R. Bard, Inc. v. Willy Rusch K.G., 172 U.S.P.Q. 250, 251 (TTAB 1971). See also, Plybook American, Inc. v. Smith & Faung & Co., 51 U.S.P.Q. 2d 1633 (TTAB 1999); No Nonsense Fashions, Inc. v. Consolidated Foods Corp., 226 U.S.P.Q. 502, 504 (TTAB 1985); Binney & Smith, Inc. v. Magic Marker Industries, Inc., 222 U.S.P.Q. 1003, 1010 (TTAB 1984). The Consorzio does not dispute the fact that it does not produce nor sell prosciutto (See Daniele' Local Rule 56(a) Statement, paragraph 2). Nor could it. The Consorzio is the holder of a certification mark, not a trademark, and by law a certification entity like the Consorzio could not be engaged the in sale of prosciutto. The Consorzio's only business is to certify that prosciutto products are made in the San Daniele region of Italy and that approved prosciutto products are made in accordance with the Consozio's standards.

The Consorzio's response to Daniele's second argument—denying that the logo consisting of chess pieces encircled by the name "Daniele, Inc." and presented in the form of a ribbon serves as the "different trademark"—also ignores the facts of the case. First, the Consorzio falsely asserts that Daniele "has given no evidence that its purpose and intent in using the logo was other than an ornamental background for its name, rather than to indicate the source of the goods." (Plaintiff's Local Rule 56(a) Statement, ¶ 19). To the contrary, the Affidavit of Stefano Dukcevich, attached to and marked as Exhibit D to Daniele's Local Rule 56(a) Statement, states specifically that "Daniele's purpose and intent in using this logo is to identify and distinguish products manufactured by Daniele from those manufactured or sold by others, and to indicate the source of the goods." This statement stands unrefuted. Thus, it is the Consorzio, not Daniele, who has given no evidence on this issue.

Similarly, the Consorzio mistakenly claims that Daniele has offered no evidence that its logo is distinctive. In Wiley vs. American Greetings Corp., 762 F.2d 139, 141 (1st Cir. 1985), the Court of Appeals instructed that whether a design is inherently distinctive is a question of fact decided by reference to the following factors:

> Whether [the design] was a "common" basic shape or design, whether it was unique or unusual in a particular field, whether it was a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as dress or ornamentation for the goods, or whether it was capable of creating a commercial impression distinct from the accompanying words.

Id. at 141.

In Wiley, the Court of Appeals upheld a district judge's finding on a motion for summary judgment that a simple red heart on a teddy bear was not inherently distinctive. The Court held that the red heart "is a 'common' basic shape, similar to a geometrical design." Id. at 142.

It continued:

> A plain heart shape, like an "ordinary geometric shape" carries no distinctive message of origin to the consumer, and could not carry such a message "absent establishment of a secondary meaning" given the heart shapes widespread use as decoration for any number of products put out by many different companies . . . Indeed, it is hard to conceive that anyone would view a red heart, universally regarded as denoting love and affection and occupying its usual anatomical position, as an "inherently distinctive" mark, i.e., as an arbitrary symbol of origin rather than an ornament descriptive of a quality of characteristic of the toy.

Id. at 142.

In contrast, the Affidavit of Stefano Dukcevich establishes that every prosciutto and ham product produced, marketed, or sold by Daniele, Inc. is marked with a logo consisting of chess pieces encircled by the name "Daniele, Inc." and presented in the form of a ribbon. The Affidavit establishes that the logo was designed for and is unique to Daniele. Unlike the simple red heart in Wiley, which is commonly associated with love and affection, chess pieces (or rooks or castles, which is the type of chess pieces depicted) have no association whatsoever with ham or proscuitto. The same is true of ribbons. Clearly, these items are capable of creating a commercial impression distinct from the accompanying words. And they do.

The Consorzio has presented no evidence to the contrary. Rather, it has simply banged its hand on the table to make a lot of noise—hoping to confuse the facts or distract attention from the fact that the Agreement expressly permits the use of the logo in connection with the sale of prosciutto and ham.[1]

This Court is perfectly capable of determining whether Daniele's logo is inherently distinctive without any further expensive fact discovery. The evidence in the record is that the chess piece and ribbon logo was designed for and is exclusive to Daniele, Inc. The Consorzio has made no showing of any similar usage by another company who manufactures and distributes prosciutto and ham products in the United States. The Court has ample experience to conclude that the chess piece and ribbon logo has no common association with ham and prosciutto products, and this Court can and should conclude that the logo is inherently distinctive.

Finally, the Consorzio argues that Daniele's motion should be treated as a motion for partial summary judgment. Daniele noted by footnote in its original Memorandum that its motion is addressed only to the breach of contract claims in Count I. This is due to the fact that the pre-trial order, dated April 11, 2008, expressly limited the issues which could be raised in the motion. Nonetheless, the Court can take notice of the fact that, absent a breach of contract claim, the Consorzio has no other viable claim. The dismissal with prejudice of the prior proceeding, C.A. No. 03-512-ML, is dispositive of Count II (False Designation of Origin) and Count III (Trademark Infringement). Moreover, unlike in Italy, trademark rights in the United States are grounded in use, not registration, and the undisputed facts establish that Daniele's use of the name "Daniele," as a source of origin, preceded the Consorzio's use of its certification mark by decades.

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[1] The Affidavit of Stefano Dukcevich, attached as Exhibit D to Daniele's Local Rule 56(a) Statement, included actual labels demonstrating the use of the logo attached to every prosciutto and ham product produced, marketed, or sold by Daniele, Inc. In contrast, the Consorzio, in Exhibit E to its Memorandum, attaches copies of proofs of proposed labels which were part of the earlier Affidavit of Vlado Dukcevich. The examples pointed to by the Consorzio, such as the label bearing the name "Deli-Cut-O" which has the entire label backed by a ribbon and has chess pieces depicted separately are only printers proofs and they were never actually used in commerce. Their existence establishes nothing whatsoever. Similarly, the Consorzio's Exhibit E attaches two pages from Daniele's website which are not supported by an affidavit. In any event, Paragraph 6 of the Agreement deals with labels for prosciutto, not images on the website. It also establishes nothing of relevance to this case.

This case is nothing more than an association representing foreign prosciutto manufacturers doing everything it can to impede and drive up costs to an American competitor. It should not be countenanced, and defendant's motion should be granted.

Respectfully submitted,

DANIELE, INC.

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DATED: May __, 2008

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing DEFENDANT'S REPLY MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT was filed with the Clerk of the United States District Court for the District of Rhode Island on the _____ day of May, 2008 and is available for viewing and downloading to the following ECF registered counsel of record:

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